

## Message Text

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70

ACTION ARA-20

INFO OCT-01 NEA-14 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20

STR-08 CEA-02 L-03 AGR-20 FEA-02 DRC-01 PA-04 PRS-01

USIA-15 /194 W

----- 087394

R 102300Z JUL 74

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 1165

INFO USINT ALGIERS

LIMITED OFFICIAL USE PANAMA 3977

EO 11652: N/A

TAGS: ENRG, ETRD, PN, AL

SUBJ: PANAMA - ALGERIA TRADE AGREEMENT SIGNED

REF: STATE 251108

1. BEGIN UNCLASSIFIED. ACCORDING PRENSA LATINA ITEM DATELINED ALGIERS JULY 6, AND APPEARING PANAMA DAILY MATUTINO, PANAMA AND ALGERIA LAST WEEK SIGNED A BILATERAL TRADE AND ECONOMIC COOPERATION AGREEMENT. FOLLOWING ADDITIONAL INFORMATION CONTAINED IN MATUTINO ARTICLE. AGREEMENT PROVIDES FOR BILATERAL TRADE IN FTERTILIZERS AND PETROLEUM FROM ALGERIA AND FOR BANANAS AND SUGAR FROM PANAMA. CARLOS PEREZ HERRERA (LEGISLATIVE COMMISSION) AND LAYACHI YAKER (FOREIGN TRADE MINISTER) SIGNED, RESPECTIVELY, FOR PANAMA AND ALGIERS. IN STATEMENTS PRENSA LATINA ATTRIBUTED TO PEREZ, HE CITED THE AGREEMENT AS ANOTHER STEP TOWARD "PANAMA'S ECONOMIC LIBERATION" AND CLOSER RELATIONS BETWEEN THE TWO GOVERNMENTS, IN SPIRIT OF SOLIDARITY OF NON-ALIGNED COUNTRIES.

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END UNCLASSIFIED.

2. BEGIN LIMITED OFFICIAL USE. TEXACO REFINERY OFFICIAL WITH WHOM EMBOFF DISCUSSED AGREEMENT OFFERED ONLY THE FOLLOWING GENERAL COMMENT: PANAMA'S REQUIREMENT FOR SUBSTANTIAL BUNKER FUEL FOR POWER GENERATION AND SHIP BUNKERING NECESSITATES RELATIVELY HEAVY CRUDE, OF LOW SULFUR CONTENT. HE UNAWARE WHAT TYPES CRUDE ALGERIA COULD OFFER.

3. COMMENT: THIS BILATERAL TRADE AGREEMENT WITH NON-TRADITIONAL TRADE PARTNER IS APPARENTLY BY-PRODUCT OF ATTENDANCE BY PANAMA'S FONMIN TACK AT NON-ALIGNED SUMMIT IN ALGIERS LAST YEAR. PEREZ CONDUCTED FOLLOW-UP TALKS AT TIME OF GENERAL TORRIJOS' VISIT TO SPAIN IN DECEMBER, AND PANAMA OPENED AN EMBASSY IN ALGIERS EARLIER THIS YEAR WITH THE FORMER DIRECTOR OF THE FOREIGN MINISTRY'S DIPLOMATIC DEPARTMENT, JORGE APARCIO, AS AMBASSADOR. IT IS DOUBTFUL THAT PANAMA WILL IN NEAR FUTURE HAVE OTHER THAN NOMINAL AMOUNTS OF BANANAS AND SUGAR AVAILABLE FOR ALGERIA. BANANA PRODUCTION HAS BEEN STATIC AND SUGAR OUTPUT BARELY SUFFICIENT FOR LOCAL CONSUMPTION PLUS U.S. QUOTA. NOR WOULD PANAMA APPEAR TO GAIN MUCH FROM IMPORTS OF ALGERIA CRUDE OR FERTILIZERS. DURING HEIGHT OF ARAB OIL EMBARGO, TEXACO REFINERY HERE WAS ABLE SECURE SUFFICIENT CRUDE TO PREVENT SIGNIFICANT SHORTAGE. CUTBACK OF 20 PERCENT IN PROPANE GAS PRODUCTION SHORT-LIVED. AT TIME, ALGERIA RESPONDED TO PANAMA OVERTURES WITH OFFER OF PRODUCTS AT 5 TIMES TEXACO PRICE. THUS, ECONOMIC BASIS FOR THIS NEW BILATERAL WOULD APPEAR MARGINAL. END LIMITED OFFICIAL USE.

JORDEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, EAST WEST TRADE, AGREEMENTS, PETROLEUM, FERTILIZERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
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**Film Number:** D740185-0807  
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**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PANAMA - ALGERIA TRADE AGREEMENT SIGNED  
**TAGS:** ENRG, ETRD, PN, AL  
**To:** STATE  
**Type:** TE  
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